

Committee on the Budget • Majority Caucus U.S. House of Representatives Jim Nussle, Chairman

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Summarizing budgetary issues in legislation scheduled for the House floor

20 June 2005

Week of 20 June 2005

SUSPENSION CALENDAR

1) Recognizing the 100th Anniversary of FarmHouse Fraternity, Inc. (H.Res. 207). This resolution has no budget implications.



2) Expressing the Sense of the House of Representatives in Remembrance of the Brave Servicemen Who Perished in the Disastrous April 24, 1980, Rescue Attempt of the American Hostages in Iran (H.Res. 256).



This resolution has no budget implications.

3) Approving the Renewal of Import Restrictions Contained in the Burmese Freedom and Democracy Act of 2003 (H.J.Res. 52).



This joint resolution renews for 1 year the ban of all imports from Burma. The ban was enacted as the Burmese Freedom and Democracy Act of 2003 (Public Law 108-61) and is currently set to expire on 28 July 2005. The Congressional Budget Office [CBO] has not provided a cost estimate for H.J.Res. 52; but based on estimates for last year's renewal of the ban, the joint resolution could reduce revenue by about \$12 million in 2006 and over 2006-10. This would not fall below the level of revenue assumed in the budget resolution. The bill does not affect direct spending (spending not subject to appropriations).

4) Recognizing the Historical Significance of Juneteenth Independence Day, and Expressing the Sense of Congress That History Should Be Regarded as a Means for Understanding the Past and Solving the Challenges of the Future (H.Con.Res. 16). This resolution has no budget implications.

LEGISLATION CONSIDERED UNDER A RULE

Bill: The Department of Defense Appropriations Act for Fiscal Year 2006 (H.R. 2863).



Committee: Appropriations

The major programs funded by this measure are Military Personnel, Operations and Summary:

> Maintenance, Procurement, and Research and Development, It provides a 3.1-percent military pay raise, and funding for Impact Aid and the replacement of equipment losses such as Humvees, trucks, radios, electronic jammers, Tomahawk cruise missiles, and

ammunition. It also funds equipment such as body armor.

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PLEASE NOTE: This document addresses budgetary issues only. It should not be taken to address support or opposition on any other grounds. A green flag indicates no serious budgetary or budget compliance concerns. A vellow flag indicates moderate or potential problems. A red flag indicates serious problems. Also note: Floor schedules and legislative details are subject to change after publication.

This document was prepared by the majority staff of the Committee on the Budget, U.S. House of Representatives. It has not been approved by the full committee and therefore may not reflect the views of all the committee's members.

The bill funds Insurance and Death Gratuities, the Army's Future Combat System research and development program, the Non-Line of Sight Cannon program, and the Stryker vehicle program. It also funds several other major weapons programs, ships, and aircraft, and provides funding for ballistic missile defense.

The bill provides a total of \$408.7 billion in discretionary budget authority, \$57.5 billion Cost:

more than the fiscal year 2005 level of \$351.2 billion, and \$42.0 billion more than the

President's request of \$366.7 billion.

Budget Act: The bill is within the 302(b) allocation to the Subcommittee on Defense, and hence does

> not violate the provisions of the Congressional Budget Act. It does, though, designate a total of \$45.3 billion for "contingency operations related to the global war on terrorism pursuant to section 402 of H. Con. Res. 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006." This was specifically provided for by the budget

> resolution and exempts spending for a variety of purposes, including additional funding for personnel, research and development, operations and maintenance, and procurement.

(Please see the Budget Committee's Appropriations Update, Volume 5 Number 7, dated 14 June 2005.)

Intelligence Authorization Act for Fiscal Year 2006 (H.R. 2475). Bill:

Committee: Intelligence (Permanent Select)

Summary: This bill authorizes appropriations for fiscal year 2006 for intelligence activities of the

United States Government, the Intelligence Community Management Account [ICMA], and the Central Intelligence Agency Retirement and Disability System [CIARDS]. The ICMA provides the principal source of funding for the Office of the Director of National Intelligence, and provides resources for coordination of programs, budget oversight, and

management of the intelligence agencies.

Significant portions of the bill are classified, and therefore are not reflected in this

discussion or the estimates below.

Cost: Within its unclassified portions, the bill authorizes \$446 million for the ICMA, subject to

> appropriations. It also authorizes the appropriation of \$245 million for CIARDS to cover retirement costs attributable to military service and various unfunded liabilities. The appropriation to CIARDS is considered direct spending, and the authorization under this bill is the same as assumed in the CBO baseline. Hence, H.R. 2475 does not increase net

direct spending.

Budget Act: The unclassified portion of H.R. 2475 does not violate the Congressional Budget Act.

Bill: Proposing an Amendment to the Constitution of the United States

Authorizing the Congress to Prohibit the Physical Desecration

of the Flag of the United States (H.J.Res. 10).

Committee: Judiciary

Summary: This joint resolution proposes an amendment to the U.S. Constitution to allow the

Congress to enact legislation that would prohibit physical desecration of the U.S. flag. The

legislatures of three-fourths of the States would be required to ratify the proposed

amendment within 7 years for the amendment to become effective.

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Budget Week Page 2 Cost: By itself, this resolution has no impact on the Federal budget. If the proposed amendment

to the Constitution is approved by the States, then any future legislation prohibiting flag desecration could impose additional costs on U.S. law enforcement agencies and the court system to the extent that cases involving desecration of the flag are pursued and prosecuted. CBO estimates, however, that any resulting costs would not be significant.

H.J. Res. 10 does not affect direct spending or revenue.

Budget Act: The joint resolution does not violate the Congressional Budget Act.

Legislative Branch Appropriations Act for Fiscal Year 2005 (H.R. 4755). Bill:

Committee: Appropriations

Summary: The Legislative Branch Appropriations measure provides funding for various

congressional functions and support agencies. The bill provides funding for staff legislative branch agencies, and the Architect of the Capitol. It provides funding for the U.S. Capitol Police, the Congressional Budget Office, the Library of Congress, the Government Printing Office, and the General Accounting Office. It also includes funding

for the construction of the Capitol Visitors Center.

This measure also includes the text of H.R. 841, the Continuity in Representation Act.

As reported – and as it will be considered on the floor – the act excludes funding for the

Senate. Those amounts will be included as part of a conference report.

Cost: CBO has not completed an estimates, but the bill is expected to provide \$2.870 billion in

budget authority for fiscal year 2006. This reflects a 1.7-percent increase in legislative branch funding over the 2005 level of \$2.823 billion, but less than the President's request

(\$3.140 billion).

Budget Act: Because the measure is expected to be at or below the suballocation provided for

> Legislative Branch operations, it will not violate section 302(f) of the Congressional Budget Act, which prohibits a subcommittee from breaching its suballocation.

(Please see forthcoming Appropriations Update.)

Bill: Labor, Health and Human Services, and Education Appropriations Act

for Fiscal Year 2006

Committee: **Appropriations**

Summary: This bill provides budget authority for the Department of Labor, the Department of Health

and Human Services, the Department of Education, and related agencies.

Within the Department of Health and Human Services, the bill includes funding for the Health Centers Program, the National Institutes of Health, and the Centers for Medicare and Medicaid Services Program Management. It also includes budget authority for the Health Professions, the Children's Hospital Graduate Medical Education, the Centers for Disease Control and Prevention, and Low-Income Home Energy Assistance Program. The Health Care-Related Facilities program and the Community Services Block Grant are

eliminated.

Appropriations for the Department of Education include funding for Grants to Local Educational Agencies, the Individuals with Disabilities Education Act, Grants to States, and Pell Grants. New funding is included for High School Intervention, High School Assessments, and a Teacher Incentive Fund. Funding is included for the Fund for the

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Budget Week Page 3 Improvement of Education, Adult Education, and TRIO programs. Funding is eliminated for the Perkins Vocational Education, Even Start, Comprehensive School Reform Demonstration, Educational Technology State Grants, Safe and Drug-Free Schools State Grants, and GEAR UP programs.

The bill also includes appropriations for the Administrative Expenses of the Social Security Administration. Funding for the Social Security Medicare Reform Fund is eliminated.

It contains a reduction of \$282 million for programs under the Workforce Investment Act [WIA], including a \$132-million decrease for WIA Dislocated Worker Assistance. The Employment Service would be reduced by \$116 million.

Cost:

CBO has not completed an estimate, but the bill expected to provide \$142.514 billion in discretionary budget authority for fiscal year 2006. This is an increase from the President's request of \$141.590 billion, but a slight reduction from the fiscal year 2005 level of \$142.678 billion, though the mandatory level is 30 percent higher than the \$354 billion from last year. (The agencies funded by this measure handle various mandatory spending programs estimated to cost \$459.5 billion in fiscal year 2006. This 30-percent increase from the \$354 billion in 2005 is not included in the discretionary figures.)

Budget Act:

Because the measure is expected to be at or below the suballocation provided to the subcommittee, it will not violate section 302(f) of the Congressional Budget Act, which prohibits a subcommittee from breaching its suballocation.

The bill includes \$4.3 billion in budget authority to fill in the shortfall in funding for the Pell Grant program. The budget resolution for fiscal year 2006 specified that this funding be budgeted for, and directed that it be scored as mandatory spending. The resolution also included a new budget scorekeeping rule, requiring the full cost of the Pell Grant Program to be included in the estimate of the bill. This latter provision was intended to end the practice of using future budget authority to fund a higher level of Pell Grants than otherwise would be available.

(Please see forthcoming Appropriations Update.)

Prepared by The Committee on the Budget

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